M

Secrets. II—27—100,000—21-5-53.

Finance (1948) Department.

1(8) SERIES.

G.O. No. 241

Dated 16-3-48

P5

[Despatch Abstract.]

Small Savings scheme — Savings week — Holding of in 1947 — Ordered to hold over till the reorganised scheme of the National Savings Organisation comes into force — Papers Recorded

(Finance.(Ways and Means)
From the P.N.S.O., Madras U.O. dated 5-1-48.

Please see the notes from page 1 above.

The proposal of the P.N.S.O. to hold the 'Savings Week' during the current year was papproved in circulation and it was decided to hold the 'week' in the last week of Jnuary '48. As during last X year, the Provincial National Saving Officer was asked to submit detailed proposals again as passed by the Madras National Savings Committee together with an estimate of extra expenditure involved in the proposals for the approval of Govt. The Provincial National Savings Officer now reports that the Chairman, Madras National Savings Committee (Mr. C.R. ~~Sinix~~ Srinivasan), who was asked to suggest a date for a meeting of the Committee, considers that before any further steps are taken to organise a 'Savings Week', it is necessary that the Chairman should have an opportunity to discuss with the Hon'ble Premier and H.M.(Fin.) the future of the Scheme. It is stated that the Chairman has suggested that a meeting may be held at the Secretariat at any time in the course of this month convenient to the Hon'ble Premier and ~~HXM~~ H.M.(Fin.). Orders of H.M.(Fin.) and Hon'ble Premier may be taken as to whether they will 'A' meet the Chairman of the Madras National Savings Committee for a discussion, and if so, as to the date on which such a meeting may be held.

The case may be treated as Special, as it is ~~nx~~ necessary to decide as early as possible whether the Savings Week is to be held in the last week of January, as previously ordered. Orders are requested on 'A' above.

Secy.

He may meet me if H.Pr. is busy. He may telephone Obviously we can't have the week in January.

B.G.Reddi.
M (Fin.)

Before we decide on this, I would like to know the work so far done by the Madras National Savings Committee and how the holding of a small savings Week will help them.

Note quickly.

O.P.R.
H.Pr. 12.1.48

FINANCE (WAYS & MEANS)

Please see the minutes of Hon'ble Premier on p.5-6 above.

Work done by the Madras National Savings Committee.

The Madras National Savings Committee (originally know in 1941 as a Sub-Committee of the Provincial War Committee When the Madras Savings (Canvassers) Scheme was discontinued after the 31st March 1946, the Committe was abolished with effect from the 1st April 1946. But from the same date, a new Committee, namely, the Madras National Savings Committee was constituted in G.O.No.282 Finance dated 1st April 1946, which was intended to devote itself actively to the furtherance of the Samll Savings Scheme in the Madras Presidency, as a similar procedure was followed in some other provinces.

~~Th~~ P.T.O.

The Committee consists of 23 members (11 officials and 12 non-officials) with Mr. C.R. Srinivasan as Chairman. The following officials are members of the Committee.

Commissioner of Civil Supplies.
Secretary, Finance Department.
Advocate General.
Postmaster-General.
Collector of Madras.
Manager, Reserve Bank of India, Madras.
Provincial National Savings Officer, Madras.
Joint Secretary, Board of Revenue.
Commissioner for Prohibition.
Deputy Commissioner for Prohibition.
Director of Information and Publicity.

In addition, some of the Hon'ble Ministers are also invited to attend meetings of the Committee whenever necessary and convenient to the Ministers.

The Government of India place at the disposal of this Government a lump sum for publicity and propaganda. A lump allotment of Rs.30,000/- has been made for the current year for expenditure on publicity and propaganda work connected with the Small Savings Scheme. The main function of the Committee is to advise on the methods of propaganda and publicity to be adopted. In May 1944, the National Savings Commissioner recommended to the Provincial Government that the general control of publicity for the Small Savings Scheme paid for from the grant made to the Province by the Centre might be vested in the Madras Defence Loans ~~x~~ Committee and urged strongly that proposal for publicity to be carried out and for the expenditure thereon should be made by the Provincial National Savings Officer to the Defence Loans Committee (now the National Savings Committee), and that only such publicity as met with the approval of the Committee should be carried out. It was considered that as the Committee, generally had amongst its members representatives of important business and other interests, their judgement in the matter of publicity would be most helpful.

The procedure at present is that the Provincial National Savings Officer is in close continuous touch with the Chairman of the Madras National Savings Committee in giving effect to the proposals for propaganda and publicity. As the holding of a Savings Week is mainly a propaganda and publicity matter, the proposal has to be approved by the Madras National Savings Committee as in last year.

The following are some of the items of work transacted by the Committee.

(1) Formation of Savings Groups in the Province through the Village, Taluk and District Committees formed in connection with problems relating to Fund, moral uplift etc.

(2) Reduction of commission payable by Govt. on big lump investments by local bodies, for the reason that no canvassing is involved in such cases.

(3) Approval of the proposals and the expenditure on publicity, propaganda, printing of pamphlets booklets etc.

(4) Reviewing of the progress of the scheme from time to time and finding out ways and of further improving it.

(5) Disscussing and recording important references and orders received from the Govt. of India and the Provincial Government.

P.T.O.

The Committee in general serves as a liaison between the Small Savings Department and the Public and renders valuable assistance in the furtherance of the scheme in the Madras Presidency.

3. How the holding of a Small Savings Week will help the Committee

A savings fortnight was held at the instance of the Government of India, in December 1944 and a Savings week was held in December 1946. In 1944, the Govt. of India said suggesting the holding of a Savings fortnight that the intention was to have an intensive drive to encouragement investments in all forms of Govt. securities on the lines of similar drive which took place in the United Kingdom and were held annually in India for the Red Cross. Again in 1946, the Govt. of India proposed the holding of a Small Savings week and said in that connection as follows:-

"These (Savings week and fortnight) have been found to be of the very greatest advantage not only in stimulating investments over a short period but also in arousing interest in the small savings scheme as a means of permanent economy". The above statement of the Govt. of India was based on the results achieved in all provinces from the Savings fortnight or week held in previous years. The Savings drive during the Savings week will be made throughout the province. The programme proposed by the P.N.S.O. for the saving week in January 1948 on pages 3-4 (G) will give some idea of the work usually done during the week.

Addl. Secy.

M(Finance) B.G.R.

C.M. G.P.R.

No definite orders have been passed in circulation on the following points:-

(a) whether both H.M.(Fin.) and H.Pr. will meet the Chairman, Madras National Savings Committee (Sri C.R. Srinivasan) or whether H.M.Finance alone will see him - See 'X' on p.5 above.

(b) the date on which H.M.(Fin.) and H.Pr. (or H.M.Fin alone) will meet Sri C.R. Srinivasan and the place at which the meeting is to take place.

Sri C.R. Srinivasan left for New Delhi on 13.1.48 to attend a meeting of the Central Board of Directors of the Reserve Bank held on the 14th January 1948. It would appear from the cutting from the Hindi at flag 'Y' that there was a further meeting of the Board on 15-1-48. Sri C.R. Srinivasan will probably return to Madras this evening or tomorrow evening. In any case he is likely to be in Madras before Monday the 19th January 1948.

H.M.(Fin.) has gone on tour and is expected back on 17-1-48 (by Calcutta Mail). H. Pr. is leaving Madras this evening on a tour to Cochin State and Coimbatore and is expected back on the morning of 19-1-48.

Someday next week will probably be suitable for the proposed discussion with Sri C.R. Srinivasan. Orders are requested on (a) and (b) at the foot of the previous page.

Asst. Secy.

P.T.O.

H.Pr. may see first in view of the minute of H.M.(Fin) at the foot of page 5 above.

Ad. Secy.

~~Hx~~Rx.Let me know how much amount has been actually invested till now in this province.

O.P.R.

The actual sales of National Savings Certifiaates (a post office issue of the Government of India intended to meet the needs of small savers) in this Province as shov below during the past years:-

		Rs.crores.
1944-45		2.36
1945-46		1.80
1946-47		1.79
1947-48	(April to November 8 months)	1.10

For sales of these certificates, the Govt. of India adopted a target of 3½ annas per head of population per month. For the Madras Province, this target works out to Rs.13 crores per year. The actual investments as noted above represent about 14 to 18 per cent of the target. This Govt. have always regarded the Govt. of India's target as much too high for this Province.

Orders are requested ~~x~~on the request of Sri C.R. Srinivasan, Chairman, Madras National Savings Committee, for a date and time to be fixed for him to have an interview with H.Fr. and H.M.(Fin.) to discuss the future of the Small Savings Scheme.

Secretary.

He may see us separately. He may ring me up and fix.

B.G.R.
M(Fin.)

H.Pr. O.P.R.

The P.N.S.O. in charge (Sri V.S. Krishnaswami Iyengar) said in his U.O.note at p.4 above, that the Chairman of the Committee suggested a meeting with H.M.(Fin.) and the Hon. Premier. It would seem sufficient to inform the P.N.S.O. of H.M's directions above who will communicate the information to the Chairman. The following U.O. note is for ~~xxxxx~~ approval.

U.O. Note 58654 A.W & M.4 dated 26-1-48.

Holding of the National Savings Week.
Ref:- U.O. Note No.657/47-A.1 dated 5-1-48 of the P.N.S.C

The P.N.S.O. is informed that H.M.(Fin.) and the Hon. Pr. desire that the Chairman, Madras National Savings Committee may see them separately and that he may telephone to Hon'ble Finance Minister and fix the engagements.

To the P.N.S.O.

P.T.O.

From the P.N.S.O., Madras No.657/47-A.1 dated 23-2-48.

Please see the P.N.S.O.'s letter on p[illegible].

'A' The Chairman, National Savings Committee, is said to have suggested that it is desirable to hold over the Savings week compaigns until the reorganised scheme of the National Savings organisation comes into force. For orders whether the Chairman's suggestion may be accepted. If so, the papers may be closed for the present and recorded in a G.O.

Asst. Secy.

For orders whether A above may be done

Secy.

Yes.
B.G.R.
H.M.(Fin.)

G.O.NO.241 Finance dated 16-3-1948

Small Savings Scheme - Savings week - Holding of in 1947 - Ordered to hold over till the reorganised scheme of the National Savings Organisation comes into force - Papers recorded.

(True copy)

for Superintendent,
Madras Record Office.

RCB/